



INSIGHTS

108th Congress

September 9, 2003

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[Weekly Summary](#)

[New Legislation](#)

[Committee Activity](#)

[Administration](#)
[Initiatives](#)

[House](#) [Senate](#)

[Status of FY 2004](#)
[Appropriations Bills](#)

[Hearings Schedule](#)

INSIGHTS is prepared expressly for the Department of Energy's Office of Federal Energy Management Programs (FEMP). The purpose of ***INSIGHTS*** is to provide FEMP management staff with timely information on legislative activities relevant to the program. ***INSIGHTS*** is prepared for FEMP by Energetics, Incorporated, (202) 479-2748.

I. WEEKLY SUMMARY

CONGRESSIONAL SCHEDULE

House

This week, the House plans the following activities

- Full House consideration of *H.R. 2989 – FY 2004 Appropriations for Transportation, Treasury, and Independent Agencies*.
- Subcommittee on Energy Policy, Natural Resources and Regulatory Affairs (Committee on Government Reform) hearing on legislation to elevate the Environmental Protection Agency to a cabinet-level department (second hearing).

Senate

This week, the Senate has scheduled the following activities:

- Committee on Energy and Natural Resources confirmation hearing on the positions of a new commissioner for the Federal Energy Regulatory Commission and a new Department of Energy Assistant Secretary for Congressional and Intergovernmental Affairs.
- Committee on Energy and Natural Resources hearing on *S. 1107 – Recreation Fee Authority Act of 2003*.
- Subcommittee on Oversight of Government Management, the Federal Workforce, and the District of Columbia (Committee on Government Affairs) entitled: *Keeping the Lights On: The Federal Role in Managing the Nation's Electricity*.

CONFERENCE COMMITTEES/VOTES

(See below for complete list of bills of interest currently in conference.)

Comprehensive Energy Legislation House and Senate conferees held their first meeting on September 5 to make opening remarks; the schedule for future meetings remains uncertain. The Republican leadership would like House and Senate staff to address many of the differences between the two bills. Remaining controversial provisions include electricity, ethanol, drilling in the Arctic National Wildlife Refuge, the Administration's Clear Sky initiative, among others. Committee Chair Pete Domenici (R/NM) has said he plans to use much of the language contained in this year's Senate bill, which was not approved by the Senate to replace the language in the bill vehicle (last year's Senate bill, *S. 517*) passed by the Senate in July for negotiating purposes. Conferees include the following Representatives and Senators.

House

Republicans Committee on Energy and Commerce Chair - Bill Tauzin (LA), Joe Barton (TX), Judy Biggert (IL), Michael Bilirakis (FL), Sherwood Boehlert (NY), Barbara Cubin (WY), Tom Davis (VA), Paul Gillmor (OH), Bob Goodlatte (VA), Duncan Hunter (CA), Sam Johnson (TX), Frank Lucas (OK), Jim McCrery (LA), Howard McKeon (CA), Tim Murphy (PA), Michael Oxley (CA), Bob Ney (OH), Thomas Petri (WI), Richard Pombo (CA), James Sensenbrenner (WI), John

Shimkus (IL), Lamar Smith (TX), Cliff Stearns (FL), Bill Thomas (CA), Fred Upton (MI), Curt Weldon (PA), and Don Young (AK).

Democrats Ranking Minority Member – John Dingell (MI), Rick Boucher (VA), John Conyers (MI), Jerry Costello (IL), Ralph Hall (TX), Ron Kind (WI), Nicholas Lampson (TX), Edward Markey (MA), George Miller (CA), James Oberstar (MN), Nick Rahall (WV), Charles Rangel (NY), Bobby Rush (IL), Ike Skelton (MO), Charles Stenholm (TX), John Tierney (MA), Maxine Waters (CA), and Henry Waxman (CA).

Senate

Republicans Conference Committee and Committee on Energy and Natural Resources Chair - Pete Domenici (NM), Ben Nighthorse Campbell (CO), Larry Craig (ID), Charles Grassley (IA), Trent Lott (MS), Don Nickles (OK), and Craig Thomas (WY).

Democrats Ranking Minority Member - Jeff Bingaman (NM), Max Baucus (MT), Byron Dorgan (ND), Bob Graham (FL), Tim Johnson (SD), and Ron Wyden (OR).

Conference Committee Chair Pete Domenici released the following statement last week regarding the committee's negotiations:

I look forward to a productive conference that will produce a bipartisan conference report which I expect will pass both Houses with comfortable margins. I am a "roll up my sleeves and work it out" kind of person. I have had several conversations with Chairman Tauzin and I believe we can reach agreement on all of the issues before us. I am confident we can reach agreement on a comprehensive energy bill. I do not support efforts to break this bill apart in a piecemeal fashion. Comprehensive energy legislation is in the best interest of the American people.

Last week, Representative John Dingell (D/MI), unsuccessfully attempted to separate the utility title from *H.R. 6 – Energy Policy Act of 2003*. However, Senate Minority Leader Tom Daschle has said that he is considering a proposal for a stand alone electricity bill in conference, an action the Administration opposes. Conference Committee Chair Pete Domenici has targeted completion of a conference bill by October 1. If that occurs, the bill will be sent back to the House and Senate for a vote.

[Back to Table of Contents](#)

II. COMMITTEE ACTIVITY

HOUSE

August Power Blackout On September 3 and 4, the Committee on Energy and Commerce held two hearings entitled, "Blackout 2003: How Did it Happen and Why?" The first day of hearings included testimony from 17 power companies and electricity experts such as FirstEnergy Corp., Exelon Corporation, Consolidated Edison Company of New York, National Grid Transco, ISO New England, Midwest ISO, and Cambridge Energy Research Associates, among others. Day two included testimony from Secretary of Energy, Spencer Abraham; the Governors of Ohio and Michigan; the Mayor of Detroit; the Chairman of the Federal Energy Regulatory Commission; several state commissions and power and reliability councils.

Secretary Abraham's testimony focused on the responsibilities and progress to date of the U.S. – Canadian Task Force, which was established by President Bush and Canadian Prime Minister Chretien. The Secretary serves as task force co-chair along with his Canadian counterpart, Minister of Natural Resources, Herb Dahliwal. He told the committee that the task force has been charged with providing recommendations for preventing future blackouts. To accomplish this, the task force has been talking to the Governors of states affected by the August power outage as well as utility companies and Independent System Operators. In order to provide recommendations, the task force is working on identifying the "sequence of events" that caused the blackout, noting that the cause or causes of the blackout is purely "speculation" at this point. For example, the task force is examining 10,000 individual events that occurred during a period of just nine seconds over thousands of square miles. Within the U.S. alone, "34,000 square miles of transmission lines and about 390 power generation units" were impacted. He referred to the electric transmission system as "without a doubt the most complex and elaborate piece of infrastructure we have." The task force includes three working groups: Electric System, Nuclear Power, and Security. Secretary Spencer testified that recommendations will be technical in nature, focusing on standards for the operation and maintenance of the power grid.

Legislation

See summary chart below.

Summary of Hearings

See summary charts below.

SENATE

Legislation

S.1589 - FY 2004 Appropriations for Transportation, Treasury, Independent Agencies On September 3, the Subcommittee on Appropriations for Transportation, Treasury, and Independent Agencies marked up the FY 2004 appropriations bill. In his opening remarks, subcommittee chair, Richard Shelby (R/AL) included the following statement about the bill:

This is a different bill from what we've considered in the past. While the jurisdiction of this subcommittee is not as radically different as is the new Homeland Security Appropriations Subcommittee, it is just as much of a new bill and the pressures on the accounts vary from what we've seen in the past.

...The [subcommittee] recommendation rejects the proposal to freeze federal courthouse construction. We have provided approximately \$200 million to build new courthouse facilities in order to meet the growing caseload demands on our judiciary. The recommendation continues the practice of funding the priorities of the Administrative Office of the Court.

The bill also includes the following provision with respect to Energy Savings Performance Contracting.

Improved energy efficiency and conservation at Federal facilities is an important component of the economical use of public dollars and the protection of the environment. The Committee is aware of GSA's leadership in energy and energy cost savings, and in the use of Energy Savings Performance Contracts [ESPCs] in

particular. Since ESPC authority was granted, GSA has entered into 30 contracts with annual energy savings totaling 400,000 million British thermal unit at an aggregated project investment amount of \$89,000.000. [The Committee commends GSA's efforts and encourages the expanded use of ESPC contracts by GSA and other government agencies at locations where such contracts will lead to further energy and energy cost savings.](#)

[Back to Table of Contents](#)

III. STATUS OF FY 2004 APPROPRIATIONS BILLS

(In Millions)

HOUSE

SENATE

<i>Jurisdiction/ FY 2004 Budget Request</i>	<i>302(b) Allocations / Approved Funding Level</i>	<i>Bill No.</i>	<i>Full Cmte. Mark Up</i>	<i>Floor Vote</i>	<i>Conf.</i>	<i>302(b) Allocation ns/Approv ed Funding Level (New)</i>	<i>Bill No.</i>	<i>Full Cmte. Mark Up</i>	<i>Floor Vote</i>	<i>Conf.</i>
Agriculture \$17,141	\$17,005	<i>H.R.</i> 2673	6/25	7/14		\$17,005	<i>S.</i> 1427	7/17		
Commerce \$37,685	\$37,914	<i>H.R.</i> 2799	7/16	7/23		\$37,014	<i>S.</i> 1585	9/4		
Defense \$371,698	\$368,662	<i>H.R.</i> 2658	6/26	7/8		\$368,662	<i>S.</i> 1382	7/9	7/17	
Energy and Water Development \$26,946	\$27,080	<i>H.R.</i> 2754	7/15	7/18		\$427,313	<i>S.</i> 1424	7/17	<i>Week of 9/8</i>	
Homeland Security \$27,481	\$28,521	<i>H.R.</i> 2555	6/17	6/24		\$28,521	<i>H.R.</i> 2555	7/10	7/24	
Interior \$19,552	\$19,627	<i>H.R.</i> 2691	6/25	7/17		\$19,627	<i>S.</i> 1391	7/10		
Labor / HHS \$137,990	\$138,046	<i>H.R.</i> 2660	6/25	7/10		\$137,601	<i>S.</i> 1356	6/26	<i>Week of 9/8</i>	
Military Construction \$9,237	\$9,196	<i>H.R.</i> 2559	6/17	6/26		\$9,196	<i>S.</i> 1357	6/26	7/11	
Transportation and Treasury \$27,802	\$27,502	<i>H.R.</i> 2989	7/24	<i>Week of 9/8</i>		\$27,502	<i>S.</i> 1589.	9/3		
VA/HUD \$89,434	\$90,034	<i>H.R.</i> 2861	7/21	7/25		\$90,034	<i>S.</i> 1584	9/4		

[Back to Table of Contents](#)

IV. NEW LEGISLATION

(Note: Once a new bill is introduced, the Government Printing Office generally requires from several days to one week to make the bill available in print)

HOUSE

Number	Short title	Date	Sponsor	Status
H.R. 3020	No Short Title	9/5/03	Anibal Acevedo-Vila (D/PR)	Referred to Committee on Veterans' Affairs
	Authorizes \$450,000 for FY 2004, for the construction of a new (replacement) medical center for the Department of Veterans' Affairs in the Commonwealth of Puerto Rico.			
H.R. 3021	No Short Title	9/5/03	Anibal Acevedo-Vila (D/PR)	Referred to Committee on Veterans' Affairs
	Authorizes up to \$30 million to carry out a major medical facility project at the Department of Veterans' Affairs Medical Center in San Juan, Puerto Rico. Improvements will bring facility into compliance with the Department of Veterans' Affairs directive designated as the CD-54 Natural Disasters Directive.			
H.R. 3023	Gasoline Availability Stabilization (GAS) Reserves Act	9/5/03	Sherrod Brown (R/OH)	Referred to Committee on Energy and Commerce
	DOE shall establish a Gasoline Availability Stabilization Reserve system (GAS) with a total capacity of 20 million barrels of regular unleaded gasoline. Reserve sites shall be located in the Northeast and Midwest regions of the U.S. and 1 in California; 2 more sites may be constructed as necessary.			
	Authorizes DOE to purchase and sell gasoline at wholesale for maintenance of the GAS Reserve system.			
	Not later than November 1 of each year, DOE shall provide to the House Committee on Energy and Commerce and to the Senate Committee on Energy and Natural Resources a report on the GAS Reserve program, describing the physical status of GAS Reserve facilities, financial outlook, and recommendations for additional appropriations or technical changes necessary.			

SENATE

No new legislation of interest to report.

[Back to Table of Contents](#)

V. ADMINISTRATION INITIATIVES

Presidential Remarks On August 30, during his weekly radio address, the President made his annual Labor Day address to the Nation. His remarks included the following statement regarding pending energy legislation.

As part of this agenda [agenda for job creation], our nation needs a comprehensive energy plan, so that our businesses and homes can rely on a steady and affordable supply of energy. The recent blackout in the Northeast shows how important reliable energy is to the American economy and demonstrates the need to take action on good energy policy. So when members of Congress return from their summer recess, I will again ask them to pass a sound energy bill as soon as possible.

Energy Secretary's Remarks on the August Power Blackout On August 27, Secretary Abrahams addressed the North American Electric Reliability Council. His remarks included the following statement on the U.S. – Canadian study regarding the cause(s) of the blackout.

...we will move on to develop recommendations on how we can prevent such an outage from occurring again. It is important to understand that the facts will drive any recommendations we make, so I will not pre-judge what they will be.

But in the first instance, any recommendations the joint U.S. - Canada Task Force makes will likely focus on technical standards for operation and maintenance of the grid, and on the management of performance of the grid, in order to more quickly correct the problems we identify.

...As I've indicated, we will follow the facts wherever they lead us. We won't jump to conclusions. Our investigation will be thorough and objective.

...This investigation is a top priority for President Bush and for Prime Minister Chretien as well. Minister Dhaliwal and I are in close contact with each other and with the leadership of the Task Force, and we expect to make periodic reports on our progress.

FY 2004 Appropriations Last week, the Office of Management and Budget (OMB) issued their "Statement of Administration Policy" on two FY 2004 appropriations bills as follows.

- *S. 1356 – FY 2004 Appropriations for Labor, Health and Human Services, and Related Agencies*
The Administration supports passage of the Senate bill, without additional views on provisions of interest.
- *H.R. 2989 – FY 2004 Appropriations for Transportation, Treasury, and Independent Agencies*
The Administration supports passage of this bill; however, OMB has stated that the agency will recommend a veto if the final bill includes provisions to weaken Federal competitive sourcing and travel sanctions with Cuba. OMB's view on a major Federal construction project is provided below.

The Administration is pleased that the bill would provide \$45 million to support the new DOT headquarters building project. The funding for this project will ensure that the Department has a headquarters building in a superior and less costly facility than would be available to DOT when the current lease expires.

[Back to Table of Contents](#)

V. HEARINGS SCHEDULE

HOUSE – COMMITTEE ON APPROPRIATIONS

No hearings of interest to report.

HOUSE – AUTHORIZATIONS/OVERSIGHT

Date/Committee	Chair	Hearing Title/Issues	Witnesses	Time/ Location
September 9 – Subcommittee on Energy Policy, Natural Resources and Regulatory Affairs (Committee on Government Reform)	Doug Ose (R/CA)	Hearing – Elevation of the Environmental Protection Agency to cabinet-level status – Federal and state views	Marianne Horinko, Acting EPA Administrator; as well as officials for the Administration; States of Colorado, Texas, and Kansas; among others	2:00 p.m. Room 2154 Rayburn Office Building

(NEW)

SENATE – COMMITTEE ON APPROPRIATIONS

No hearings of interest to report.

SENATE – AUTHORIZATIONS/OVERSIGHT

Date/Committee	Chair	Hearing Title/Issues	Witnesses	Time/ Location
September 9 – Committee on Energy and Natural Resources	Pete Domenici (R/NM)	Confirmation Hearing – (1) Suede Kelly of New Mexico for the position of Commissioner on the Federal Energy Regulatory Commission (2) Rick Dearborn for the position of Department of Energy Assistant Secretary for Congressional and Intergovernmental Affairs	Suede Kelly Rick Dearborn	10:00 a.m. Room 366 Dirksen Office Building
September 9 – Subcommittee for National Parks, Pubic Lands and	Pete Domenici (R/NM)	Hearing – <i>S. 1107 – Recreational Fee Authority Act of 2003</i> (enhancement of	Panelists include officials from the Department of Interior, National Park Foundation,	2:30 p.m. Room 366 Dirksen Office Building

Date/Committee	Chair	Hearing Title/Issues	Witnesses	Time/ Location
Forests (Committee on Energy and Natural Resources)		program authority - fees are used to repair, maintain, enhance public land facilities, etc.)	Western Slope No- Fee Coalition, and Friends of Acadia	
(NEW)				
September 10 – Subcommittee of Government Management, the Federal Workforce and the District of Columbia (Committee on Government Reform)	Susan Collins (R/ME)	Hearing – Keeping the Lights On: The Federal Role in Managing the Nation’s Electricity (examination of the cause of the blackouts and to prevent future outages)	Kyle McSarrow, Deputy Secretary of Energy Pat Wood, Commissioner of FERC Senior officials from various utility commissions, Independent System Operators, and the Consumer Federation of America	9:00 a.m. Room 342 Dirksen Office Building
(NEW)				

CONFERENCE COMMITTEE NEGOTIATIONS/FLOOR VOTES

Bills of Interest The following bills are current in conference between the House and Senate:

- *H.R. 2658/S. 1382 – FY 2004 Appropriations for Defense*
- *H.R. 2555/S. Amendment to H.R. 2555 – FY 2004 Appropriations for Homeland Security*
- *H.R.2559/S. 1357 – FY 2004 Appropriations for Military Construction*
- *H.R. 6/S. Amendment to H.R. 6 – Energy Policy Act of 2003*

[Back to Table of Contents](#)